

# ModernGraham Valuation

Company Name:

Wal-Mart Stores, Inc.

Company Ticker

WMT

Date of Analysis

11/18/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass 6 out of the following 7 tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$192,131,659,420	Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.89	Fail
3. Earnings Stability	Positive EPS for 10 years prior		Pass
4. Dividend Record	Dividend Payments for 10 years prior		Pass
5. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	55.04%	Pass
6. Moderate PEmg Ratio	PEmg < 20	12.77	Pass
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.49	Pass

*Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.*

1. Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.89	Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-6.01	Fail
3. Earnings Stability	Positive EPS for 5 years prior		Pass
4. Dividend Record	Currently Pays Dividend		Pass
5. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	\$4.75
MG Growth Estimate	2.38%
<b>MG Value</b>	<b>\$63.07</b>
MG Value based on 3% Growth	\$68.92
MG Value based on 0% Growth	\$40.40
Market Implied Growth Rate	2.13%

### MG Opinion

Current Price	\$60.70
% of Intrinsic Value	96.24%
<b>Opinion</b>	<b>Fairly Valued</b>

## Stage 3: Information for Further Research

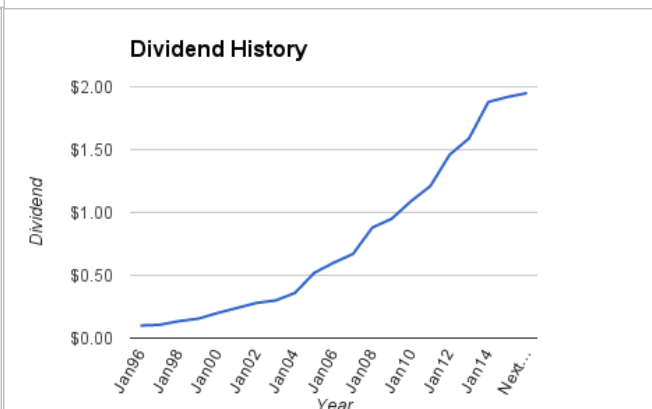
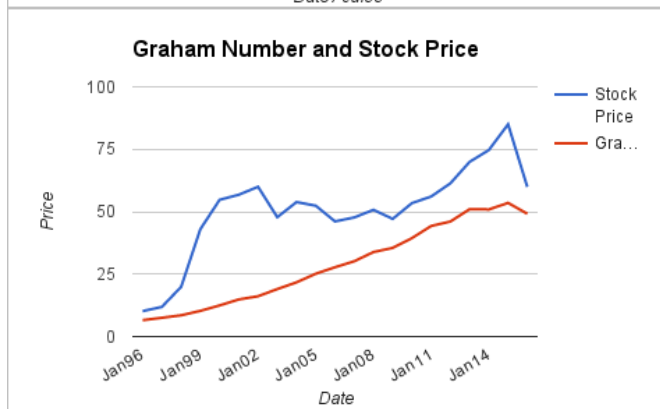
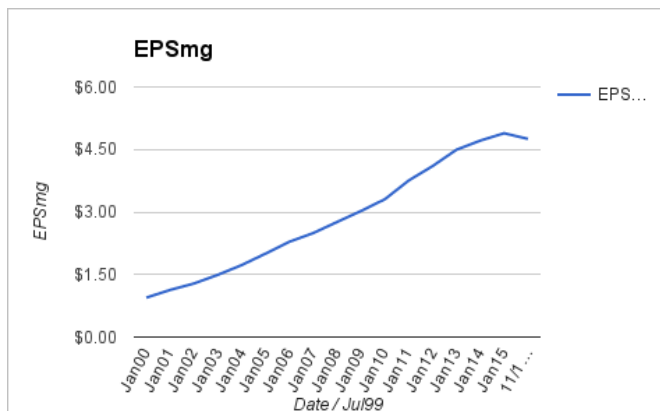
Net Current Asset Value (NCAV)	-\$19.07
Graham Number	\$49.17
PEmg	12.77
Current Ratio	0.89
PB Ratio	2.49
Dividend Yield	3.21%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.38	Next Fiscal Year Estimate	\$4.75
Jan15	\$5.05	Jan15	\$4.89
Jan14	\$4.88	Jan14	\$4.71
Jan13	\$5.02	Jan13	\$4.49
Jan12	\$4.52	Jan12	\$4.10
Jan11	\$4.47	Jan11	\$3.76
Jan10	\$3.71	Jan10	\$3.31
Jan09	\$3.39	Jan09	\$3.02
Jan08	\$3.13	Jan08	\$2.76
Jan07	\$2.71	Jan07	\$2.50
Jan06	\$2.68	Jan06	\$2.29
Jan05	\$2.41	Jan05	\$2.00
Jan04	\$2.07	Jan04	\$1.73
Jan03	\$1.79	Jan03	\$1.49
Jan02	\$1.47	Jan02	\$1.29
Jan01	\$1.40	Jan01	\$1.13
Jan00	\$1.19	Jan00	\$0.95
Jan99	\$0.99	<b>Balance Sheet Information</b> <b>Jul15</b>	
Jan98	\$0.78	Total Current Assets	\$58,132,000,000
Jan97	\$0.67	Total Current Liabilities	\$65,262,000,000
Jan96	\$0.60	Long-Term Debt	\$42,843,000,000
		Total Assets	\$198,620,000,000
		Intangible Assets	\$17,799,000,000
		Total Liabilities	\$119,749,000,000
		Shares Outstanding (Diluted Average)	3,231,000,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

[26 Companies in the Spotlight This Week – 11/22/14](#)  
[Wal-Mart Stores Inc. Annual Valuation – 2014 \\$WMT](#)  
[ModernGraham Valuation: Walmart Stores Inc. \(WMT\)](#)

Other  
ModernGraham  
posts about related  
companies

[Aaron's Inc. Valuation – October 2015 Update \\$AAN](#)  
[Nordstrom Inc. Valuation – October 2015 Update \\$JWN](#)  
[Tractor Supply Company Valuation – October 2015 Update \\$TSCO](#)  
[Coach Inc. Valuation – October 2015 Update \\$COH](#)  
[Dollar Tree Stores Inc. Valuation – October 2015 Update \\$DLTR](#)  
[TJX Companies Inc. Valuation – October 2015 Update \\$TJX](#)  
[Tiffany and Company Valuation – October 2015 Update \\$TIF](#)  
[Urban Outfitters Inc. Analysis – October 2015 Update \\$URBN](#)  
[Staples Inc. Analysis – September 2015 Update \\$SPLS](#)  
[Fossil Group Inc. Analysis – September 2015 Update \\$FOSL](#)